Supplies of Re-gassified LNG from Dahej LNG Terminal is scheduled to commence from 1st quarter of 2004. GAIL is approaching various consumers including industries in and around Delhi for supply of re-gassified LNG at market determined prices.

Subsidy on LPG and Kerosene

2967. SHRI SURESH PACHOURI : Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the subsidy on LPG and Kerosene distributed through the PDS network during 2002-2003 and projections for 2003-2004;

(b) whether Government propose to phase out these subsidies;

(c) if so, the details thereof; and

(d) the details of steps taken to minimize cost of production of LPG and Kerosene?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI SUMITRA MAHAJAN): (a) to (c) The Government proposes to phase out the subsidy on domestic LPG and PDS Kerosene in three to five years effective 1-4-2002. The estimated subsidy on these products during 2002-2003 and projection for 2003-04 are as follows:

(Rs./crore)

Product	2002-03	2003-04	
		3 year phasing out	5 year phasing out
Domestic LPG	3691	2772	3326
PDS Kerosene	3018	1947	2336

(d) The PSU oil companies continuously monitor the overall cost of production of petroleum products including LPG and Kerosene and undertake several control measures which *inter alia* include zero based budgeting, inventory control, optimum utilization of utilities, technical audit for control of chemicals/catalysts consumption, minimizing the manpower cost, energy conservation measures etc.